

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

RECORDATION NO 20995 FILED

NOV 13 '97

10-11AM

**FIRST
UNION®**

VIA FEDERAL EXPRESS

November 12, 1997

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W.
Room 704
Washington, D.C. 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301 (a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated September 29, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:


Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Central Michigan Railway Company
1410 S. Valley Center Drive
Bay City, MI 48706-9998

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

Very truly yours,


Kathy Dombrowski
Manager-Documentation

Enclosures
(CMGN002)

ASSIGN: CMGN002

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Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 29th day of September, 1997, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Central Michigan Railway Company ("Lessee").

W I T N E S S E T H:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of September 29, 1997, whereby Lessor has agreed to lease to Lessee certain railcars being described in more particular on Exhibit A attached hereto, effective as of the date set forth above and subject to the terms, conditions and provisions of said Lease.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Name: JOHN J. THOMASTitle: PRESIDENTBy: Name: ROBERT C. HAMILTONTitle: DIRECTOR-DOCUMENTATION Executed on this 28th day of Oct., 1997.

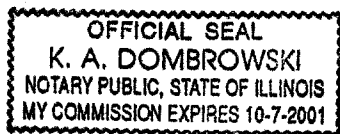
[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, K. A. DOMBROWSKI, a Notary Public in and for said state and county, certify that JOHN J. THOMAS personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 28th day of October, 1997.



K. A. Dombrowski
Notary Public

My Commission Expires:

10-7-2001
(Notary Public)

LESSEE:

CENTRAL MICHIGAN RAILWAY COMPANY

ATTEST:

By: William A. Salter

Name: William A. Salter

Vice President

By: Linda J. Hooverman

Title: Business Development

Name: Linda J. Hooverman

Administrative

Title: Assistant

Executed on this 22 day of October, 1997.

[CORPORATE SEAL]

STATE OF MICHIGAN

COUNTY OF BAY

I, Linda J. Hooverman, a Notary Public in and for said state and county, certify that William A. Salter personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

WITNESS my hand and official stamp or seal, this 22 day of October, 1997.

Linda J. Hooverman
Notary Public

My Commission Expires:

LINDA J. HOOVERMAN
Notary Public, Saginaw County, MI
My Commission Expires Sept. 3, 2001
Acting in Bay County, MI

(Notary Public)

EXHIBIT A
to
Memorandum of Lease

Twenty Five (25) Covered Hopper Railcars

NOKL 000054
NOKL 000105
NOKL 000106
NOKL 000108
NOKL 000111
NOKL 000113
NOKL 000117
NOKL 000118
NOKL 000121
NOKL 000122
NOKL 003017
NOKL 003036
NOKL 003042
NOKL 003086
NOKL 003103
NOKL 003129
NOKL 003133
NOKL 003139
NOKL 003199
NOKL 003227
NOKL 003241
NOKL 003303
NOKL 003354
NOKL 003629
NOKL 200001